

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103687; File No. SR-ICC-2025-011]

### Self-Regulatory Organizations; ICE Clear Credit LLC; Notice of Filing of Proposed Rule Change Relating to the ICC CDS Instrument On-boarding Policies and Procedures

August 12, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934, 15 U.S.C. 78s(b)(1) and Rule 19b-4, 17 CFR 240.19b-4, notice is hereby given that on August 07, 2025, ICE Clear Credit LLC (“ICC” or “ICE Clear Credit”) filed with the Securities and Exchange Commission the proposed rule change as described in Items I, II and III below, which Items have been primarily prepared by ICC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

*I. Clearing Agency’s Statement of the Terms of Substance of the Proposed Rule Change*

The principal purpose of the proposed rule change is to revise the ICC CDS Instrument On-boarding Policies and Procedures (“Instrument On-boarding Policy”). These revisions do not require any changes to the ICC Clearing Rules (“Rules”).<sup>1</sup>

*II. Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change*

In its filing with the Commission, ICC included statements concerning the purpose of and basis for the proposed rule change, security-based swap submission, or advance notice and discussed any comments it received on the proposed rule change, security-based swap submission, or advance notice. The text of these statements may be

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<sup>1</sup> ICC’s Rules are available on ICC’s public website: [https://www.ice.com/publicdocs/clear\\_credit/ICE\\_Clear\\_Credit\\_Rules.pdf](https://www.ice.com/publicdocs/clear_credit/ICE_Clear_Credit_Rules.pdf).

examined at the places specified in Item IV below. ICC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.

*(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change*

(a) Purpose

ICC proposes to amend its Instrument On-boarding Policy. This document provides an overview of ICC's on-boarding process for new instruments, which includes selecting new instruments for clearing, configuring internal systems, notifying and receiving feedback from stakeholders, and ensuring operational readiness by ICC and its Clearing Participants ("CPs"). The proposed changes (1) amend the guiding principles that ICC maintains for instrument selection, (2) reflect current practices and other updates, and (3) include clarifying or non-substantive changes. ICC believes that such changes will facilitate the prompt and accurate clearance and settlement of securities transactions and derivative agreements, contracts, and transactions for which it is responsible. ICC proposes to make such changes effective following Commission approval of the proposed rule change. The proposed rule change is described in detail as follows.

1. Guiding Principle Amendments

ICC proposes to amend Section III.A. of the Instrument On-boarding Policy, which discusses the guiding principles that ICC maintains for considering instruments for clearing. Such principles are designed to ensure that ICC proceeds in a prudent manner with respect to instrument selection while also providing the best opportunity for CPs to minimize their risk. The changes to the guiding principles are designed to promote ICC's ability to consider additional instruments for clearing.

Currently, ICC maintains a guiding principle to consider instruments for clearing that are constituents of currently clearable On-The-Run (“OTR”) indices. When adopted in 2021, this guiding principle was designed to provide the market with additional instruments to hedge and mitigate indirect risk exposure from OTR indices.<sup>2</sup> ICC proposes to remove reference to OTR indices, such that ICC will consider instruments for clearing that are constituents of currently clearable indices. ICC believes it is appropriate to expand this guiding principle because many market participants hedge and mitigate indirect risk exposure from credit default swap (“CDS”) indices (including but not limited to OTR indices) with the constituents of those indices. The proposed change would promote ICC’s risk management by providing increased transparency to the clearing house regarding the risk exposure of market participants to allow ICC to better assess and manage its credit risk.

ICC maintains another guiding principle applicable to instruments that are not constituents of such indices. Under this guiding principle, ICC considers such instruments for clearing that meet an open interest threshold or a volume threshold. Currently, ICC considers either instruments with uncleared gross notional open interest equal to or greater than the average combined cleared open interest and bilateral open interest of instruments belonging to the same, currently cleared instrument types among ICC CPs, or instruments with an average bilateral weekly volume equal to or greater than the average bilateral and cleared volume across all currently cleared instrument types over the last twelve months and with an average weekly volume of at least five contracts

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<sup>2</sup> See Exchange Act Release No. 93581 (November 16, 2021), 86 FR 66382 (November 22, 2021) (File No. SR-ICC-2021- 019).

per week over the last twelve months. ICC also currently considers instruments with bilateral open interest held by at least half, but no less than three, CP Affiliate Groups (“AGs”). As amended, ICC would consider instruments with uncleared gross notional open interest among ICC CPs, or with an average bilateral weekly volume equal to or greater than the average cleared volume across currently cleared instruments belonging to the same product type over the last twelve months. ICC would also consider instruments with bilateral open interest held by at least three CP AGs. This guiding principle was formally adopted in 2020 with the formalization of the Instrument On-boarding Policy<sup>3</sup> and has allowed ICC to consider the most liquid single names, most of which ICC currently clears. The proposed changes expand the thresholds to consider instruments for clearing that have any uncleared gross notional open interest (rather than those with a specified uncleared gross notional open interest) or an average bilateral weekly volume equal to or greater than the average cleared volume across comparable cleared instruments (removing reference to bilateral cleared volume and the requirement for an average weekly volume of at least five contracts), and bilateral open interest held by at least three CP AGs (removing the requirement that bilateral open interest be held by at least half of the CP AGs). The revisions thus allow ICC to consider additional instruments for clearing, including those requested by market participants, i.e., currently less liquid single name instruments that, in ICC’s view, still have sufficient trading volume and market liquidity, and are held widely enough by CPs. Instruments subject to the amended guiding principles would continue to be subject to effective controls through

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<sup>3</sup> See Exchange Act Release No. 88925 (May 21, 2020), 85 FR 32073 (May 28, 2020) (File No. SR-ICC-2020-004).

existing governance,<sup>4</sup> risk,<sup>5</sup> pricing,<sup>6</sup> and operations<sup>7</sup> reviews, which ultimately determine the instruments that ICC may clear. As such, ICC believes that expanding these guiding principles is appropriate to ensure that ICC continues to provide the best opportunity for CPs to minimize their risk while proceeding in a prudent manner with respect to instrument selection.

## 2. Changes to Reflect Current Practices and Other Updates

ICC proposes amendments throughout the Instrument On-Boarding Policy to reflect current practices or make other updates regarding governance, operations, and instruments that are outside the scope of the standard on-boarding process. With respect to governance, ICC proposes adding references to the recently established Board Risk Committee in Section IV. to memorialize the types of matters related to instrument on-

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<sup>4</sup> Once it has been determined that the proposed instrument meets ICC's guiding principles, appropriate governance actions must be taken to determine whether ICC should proceed with clearing such instrument. For example, a risk review process is performed by the ICC Risk Committee, which includes the review of a risk impact analysis and pricing analysis. Additional review and approval by ICC's Board may also be necessary depending on whether clearing the new instrument requires changes to ICC's Rulebook or risk methodology. *See* Section IV. in the Instrument On-Boarding Policy.

<sup>5</sup> As part of its risk management evaluation, ICC ensures that the risks associated with the proposed instrument is appropriately accounted for by ICC's risk models and that risk requirements will provide adequate protection to the clearing house and its CPs. *See* Section VI. in the Instrument On-Boarding Policy.

<sup>6</sup> As part of its pricing evaluation, ICC ensures that its end-of-day price discovery process operates effectively with the proposed instrument, including that sufficient CPs are available to readily provide prices to ensure the effectiveness of such process. *See* Section VII. in the Instrument On-Boarding Policy.

<sup>7</sup> New instruments are subject to an operational setup. In particular, a reference obligation, which specifies a particular bond that is either guaranteed or issued by the reference entity, is one product attribute that must be defined for each reference entity. *See* Section V. in the Instrument On-Boarding Policy.

boarding that are subject to Board Risk Committee review.<sup>8</sup> In particular, such matters would include changes to the ICC Rulebook and ICC risk methodology related to new instruments. ICC proposes removing outdated references in Section IV. to the Risk Management Subcommittee, which is no longer in existence.<sup>9</sup> ICC also proposes adding references to the recently established Risk Advisory Working Group to memorialize its role in reviewing matters that could materially affect the risk profile of ICC, including the addition of a new product category or material modifications to ICC's risk methodology.<sup>10</sup>

ICC also proposes changes to Sections III. and V. regarding its instrument on-boarding operational practices. ICC proposes removing a reference to an external system that it no longer uses for purposes of processing post-trade life cycle events (e.g., coupon payments, credit events, succession events) in Section V. In Section III.C. and Section V., ICC also proposes removing a reference to a service provider for market data and intraday pricing, as ICC does not intend for the Instrument On-boarding Policy to list or control ICC service providers or manage the on-boarding or review of such providers. Consistent with current practices, ICC service providers are subject to contractual

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<sup>8</sup> ICC previously filed a proposed rule change to establish the Board Risk Committee. *See* Securities Exchange Act Release No. 103161 (May 30, 2025), 90 FR 23970 (June 5, 2025) (File No. SR-ICC-2025-006).

<sup>9</sup> ICC previously filed a proposed rule change to eliminate references to the ICC Risk Management Subcommittee from its Rules and related policies and procedures. *See* Exchange Act Release Nos. 100876 (August 29, 2024), 89 FR 72538 (September 5, 2024) (File No. SR-ICC-2024-009); 101382 (Oct. 18, 2024), 89 FR 84979 (Oct. 24, 2024) (File No. SR-ICC-2024-009).

<sup>10</sup> *Id.*

arrangements entered into by authorized ICC officers and governed by the Operational Risk Management Framework, if appropriate.<sup>11</sup>

Additionally, ICC proposes revisions throughout the document with respect to new instruments that are outside of the scope of the standard on-boarding process. As noted in Section IV.D., such exceptions include, in respect of CDS indices, a new index series with updated reference entity constituents.<sup>12</sup> ICC proposes to clarify relevant processes pertaining to such instrument on-boarding. Namely, for those indices and corresponding new reference entity constituent(s) falling under an already approved CDS index product type, ICC proposes to clarify that it will begin clearing the new series from the index roll date, followed by the corresponding new reference entity constituent(s) once ICC reviews the parameters and analysis with the relevant working groups, consistent with current practices. ICC also proposes additional edits in Sections VI and VIII to specify which processes are applicable to instruments that are outside of the scope of the standard on-boarding process. Consistent with current practices, ICC proposes to specify that for all proposed instruments, excluding those that are outside of the scope of the standard on-boarding process, stress-testing is performed.<sup>13</sup> Additionally, with respect to instruments that are outside of the scope of the standard on-boarding process, ICC proposes to collect voluntary quote submissions from CPs for a period of at

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<sup>11</sup> See Securities Exchange Act Release No. 101819 (December 5, 2024), 89 FR 99949 (December 11, 2024) (File No. SR-ICC-2024-011).

<sup>12</sup> A new series of CDS indices is issued every six months and, pursuant to ICC's rule-filed Risk Management Framework, ICC clears subsequent versions of cleared indices.

<sup>13</sup> In place of stress-testing, ICC conducts pricing and risk parameter analyses which are reviewed with relevant working groups for instruments that are outside of the scope of the standard on-boarding process.

least one week, instead of two weeks.<sup>14</sup> ICC believes this update is warranted to promote the timely clearing of constituents of new index series following the index roll date<sup>15</sup> by ICC and would not create operational problems because CPs are, in general, operationally ready for a new index series on the index roll date, including pricing constituents of the new index. In general, ICC believes that the aforementioned changes generally improve the clarity and effectiveness of this document by setting out current ICC practices and making other updates.

### 3. Clarifying or Non-Substantive Changes

ICC proposes making certain clarifying, conforming and other non-substantive changes to the Instrument On-Boarding Policy, as further set out below.

- ICC proposes replacing “instrument type” with “product type” throughout the document. Such revisions are intended for clarity to generally mirror the product-specific subchapters of the ICC Rulebook. ICC proposes clarifying footnotes to distinguish between a product type and a product category, the former of which can be identified based on a review of the product-specific subchapters of Chapter 26<sup>16</sup> and the latter of which represents a collection of product types.

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<sup>14</sup> Currently, ICC collects voluntary quote submissions from CPs for a period of at least two weeks, including for instruments that are outside of the scope of the standard on-boarding process. ICC initially selected a period of two weeks to provide CPs with sufficient time to become operationally ready to price a new instrument.

<sup>15</sup> ICC’s current process is to begin clearing the new index series from the index roll date.

<sup>16</sup> See the product-specific subchapters of Chapter 26 “Cleared CDS Products” of the ICC Rules for the approved product types. For the avoidance of doubt, Index Swaptions represent a product category and not a product type.

- In Section IV., ICC proposes updating certain instrument naming conventions (e.g., Standard Emerging Market Corporate Single Name) to be consistent with the terminology in the ICC Rulebook or industry terminology.
- In Section IV.D., with respect to the publication of new index series, ICC proposes to update the name of such publisher to be current and make a conforming change in a footnote in Section V.
- In Section V., ICC proposes to remove an introductory phrase to clarify that the selection of reference obligations has more than just one purpose.<sup>17</sup>
- In Section V., ICC proposes to clarify that it generally maintains a list of the versions of the Credit Derivatives Physical Settlement Matrix (“Matrix”) that are applicable, rather than a separate list for each reference entity.<sup>18</sup>
- ICC proposes clarifying changes throughout the document, including adding defined terms in quotations, updating a policy name to match its current title, updating references to ICC Rules, and adding “ICC” as a qualifier in front of certain department and committee names.

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<sup>17</sup> See *supra* note 7.

<sup>18</sup> See the publicly available ICC list of clearing eligible products available at: [https://www.ice.com/publicdocs/clear\\_credit/ICE\\_Clear\\_Credit\\_Clearing\\_Eligible\\_Products.xls](https://www.ice.com/publicdocs/clear_credit/ICE_Clear_Credit_Clearing_Eligible_Products.xls). Relevant tabs note the applicable Matrix transaction type and date.

- ICC proposes making certain grammatical updates throughout the document, including changes in capitalization and adding or expanding abbreviations.
- Lastly, ICC proposes to revise the revision history to reflect the above-described changes.

(b) Statutory Basis

ICC believes that the proposed rule change is consistent with the requirements of Section 17A of the Act<sup>19</sup> and the regulations thereunder applicable to it, including the applicable standards under Rule 17Ad-22.<sup>20</sup> In particular, Section 17A(b)(3)(F) of the Act<sup>21</sup> requires that the rule change be designed to promote the prompt and accurate clearance and settlement of securities transactions and derivative agreements, contracts and transactions cleared by ICC, to assure the safeguarding of securities and funds in the custody or control of ICC or for which it is responsible, and to protect investors and the public interest. As described above, the proposed changes (1) amend the guiding principles that ICC maintains for instrument selection, (2) reflect current practices and make other updates, and (3) make clarifying or non-substantive changes. The amended guiding principles would continue to ensure that ICC proceeds in a prudent manner with respect to instrument selection while also providing the best opportunity for CPs to minimize their risk, including by providing additional instruments to hedge and mitigate

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<sup>19</sup> 15 U.S.C. 78q-1.

<sup>20</sup> 17 CFR 240.17ad-22.

<sup>21</sup> 15 U.S.C. 78q-1(b)(3)(F).

indirect risk exposure from indices and allowing ICC to consider additional instruments for clearing, including those requested by market participants, i.e., currently less liquid single name instruments that, in ICC's view, still have sufficient trading volume and market liquidity, and are held widely enough by CPs. The additional changes that reflect current practices and make other updates or clarifying or non-substantive changes generally improve the clarity and effectiveness of the Instrument On-Boarding Policy and ensure that it remains readable, transparent, and up-to-date. The proposed rule change is therefore consistent with the prompt and accurate clearing and settlement of the contracts cleared by ICC, the safeguarding of securities and funds in the custody or control of ICC or for which it is responsible, and the protection of investors and the public interest, within the meaning of Section 17A(b)(3)(F) of the Act.<sup>22</sup>

The amendments would also satisfy relevant requirements of Rule 17Ad-22.<sup>23</sup> Rule 17Ad-22(e)(2)(i) and (v)<sup>24</sup> requires each covered clearing agency to establish, implement, maintain, and enforce written policies and procedures reasonably designed to provide for governance arrangements that are clear and transparent and specify clear and direct lines of responsibility. The proposed rule change updates ICC's governance arrangements by adding references to the newly established Board Risk Committee and Risk Advisory Working Group and removing references to the retired Risk Management Subcommittee to ensure that the Instrument On-boarding Policy continues to describe the roles and responsibilities of relevant stakeholders with respect to instrument selection and

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<sup>22</sup> *Id.*

<sup>23</sup> 17 CFR 240.17ad-22.

<sup>24</sup> 17 CFR 240.17ad-22(e)(2)(i) and (v).

subject new instruments to ICC's governance process. As such, in ICC's view, the proposed rule change continues to ensure that ICC maintains policies and procedures that are reasonably designed to provide for clear and transparent governance arrangements and specify clear and direct lines of responsibility, consistent with Rule 17Ad-22(e)(2)(i) and (v).<sup>25</sup>

Rule 17Ad-22(e)(4)(ii)<sup>26</sup> requires each covered clearing agency to establish, implement, maintain, and enforce written policies and procedures reasonably designed to effectively identify, measure, monitor, and manage its credit exposures to participants and those arising from its payment, clearing, and settlement processes, including by maintaining additional financial resources at the minimum to enable it to cover a wide range of foreseeable stress scenarios that include, but are not limited to, the default of the two participant families that would potentially cause the largest aggregate credit exposure for the covered clearing agency in extreme but plausible market conditions. As discussed above, the proposed changes to the guiding principles would, among other things, promote ICC's risk management by providing increased transparency to the clearing house regarding the risk exposure of market participants to allow ICC to better assess and manage its credit risk. Furthermore, instruments subject to the amended guiding principles would continue to be subject to effective controls through existing governance, risk, pricing, and operations reviews, which support ICC's ability to maintain its financial

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<sup>25</sup> *Id.*

<sup>26</sup> 17 CFR 240.17ad-22(e)(4)(ii).

resources and withstand the pressures of defaults, consistent with the requirements of Rule 17Ad-22(e)(4)(ii).<sup>27</sup>

Rule 17Ad-22(e)(17)<sup>28</sup> requires, in relevant part, each covered clearing agency to establish, implement, maintain, and enforce written policies and procedures reasonably designed to manage its operational risks by (i) identifying the plausible sources of operational risk, both internal and external, and mitigating their impact through the use of appropriate systems, policies, procedures, and controls; and (ii) ensuring that systems have a high degree of security, resiliency, operational reliability, and adequate, scalable capacity. As discussed above, ICC proposes revisions to ensure that the document reflects current practices and is up-to-date, clear, and transparent, including with respect to ICC's operational practices for instrument on-boarding. The Instrument On-boarding Policy would thus continue to appropriately describe the process for the introduction of new instruments to ensure that ICC and its CPs are operationally ready and that ICC proceeds in a controlled manner, thereby supporting ICC's ability to identify the plausible sources of operational risk and mitigate their impact and ensure that systems have a high degree of security, resiliency, operational reliability, and adequate, scalable capacity, consistent with the requirements of Rule 17Ad-22(e)(17).<sup>29</sup>

Rule 17Ad-22(e)(21)<sup>30</sup> requires, among other things, that each covered clearing agency establish, implement, maintain, and enforce written policies and procedures

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<sup>27</sup> *Id.*

<sup>28</sup> 17 CFR 240.17ad-22(e)(17)(i) and (ii).

<sup>29</sup> *Id.*

<sup>30</sup> 17 CFR 240.17ad-22(e)(21).

reasonably designed to be efficient and effective in meeting the requirements of its participants and the markets it serves. Such changes to promote ICC's ability to consider additional instruments for clearing, including those requested by market participants, would support and enhance the guiding principles by ensuring that ICC continues to proceed in a prudent manner with respect to instrument selection while also providing CPs the best opportunity to minimize their risk, thereby allowing ICC to be efficient and effective in meeting the requirements of its participants and the markets it serves, consistent with Rule 17Ad-22(e)(21).<sup>31</sup>

*(B) Clearing Agency's Statement on Burden on Competition*

ICC does not believe the proposed amendments will have any impact, or impose any burden, on competition not necessary or appropriate in furtherance of the purposes of the Act. As discussed above, the proposed rule change (1) amends the guiding principles that ICC maintains for instrument selection, (2) reflects current practices and other updates, and (3) makes other clarifying or non-substantive changes. Additional instruments selected for clearing under the revised guiding principles in the proposed Instrument On-Boarding Policy will be available to all ICC CPs for clearing. The clearing of any such additional instruments does not preclude the offering of such instruments for clearing by other market participants. Moreover, the proposed changes to the Instrument On-Boarding Policy, including changes to reflect current practices and other clarifying or non-substantive changes, will apply uniformly across all market

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<sup>31</sup> *Id.*

participants. Therefore, ICC does not believe the proposed rule change will impose any burden on competition that is inappropriate in furtherance of the purposes of the Act.

(C) *Clearing Agency's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others*

Written comments relating to the proposed rule change have not been solicited or received. ICC will notify the Commission of any written comments received by ICC.

III. *Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action*

Within 45 days of the date of publication of this notice in the *Federal Register* or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) by order approve or disapprove such proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change

should be disapproved.

IV. *Solicitation of Comments*

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

*Electronic Comments:*

- Use the Commission's internet comment form (<https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-ICC-2025-011 on the subject line.

*Paper Comments:*

Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

All submissions should refer to file number SR-ICC-2025-011. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking>). Copies of such filings will be available for inspection and copying at the principal office of ICE Clear Credit and on ICE Clear Credit's website at <https://www.ice.com/clear-credit/regulation>.

Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-ICC-2025-011 and should be submitted on or before [INSERT DATE 21 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>32</sup>

**Sherry R. Haywood,**  
*Assistant Secretary.*

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<sup>32</sup> 17 CFR 200.30-3(a)(12).